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SUMMARY

Agenda Item: C.1.2

Israel

THE INFLUENCE OF THE COOPERATIVE SET-UP OF AGRICULTURAL SETTLEMENT ON THE AGRICULTURAL CREDIT SYSTEM IN ISRAEL

By Gershon KADDAR

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THE INFLUENCE OF THE COOPERATIVE SET-UP OF AGRICULTURAL SETTLEMENT ON THE AGRICULTURAL CREDIT SYSTEM IN ISRAEL.

by Gershon Kaddar.

SUMMARY.

We have given here an outline of the cooperative set-up of Jewish Agriculture in Israel. This set-up is not based on theoretical directives but has come into being in answer to a national challenge: to create a modern form of agriculture in antagonistic, economically undeveloped surroundings, with the help of settlers, lacking any means of their own as well as agricultural experience, but having a relatively high standard of living.

With the help of ramified and variegated cooperative organizations, it has been possible for Jewish settlement to gain unprecedented momentum; to preserve its vitality, hand in hand with maintaining reasonable social relationships on the basis of voluntary work and with a minimal use of pressure on the settler.

In order to absorb the settlers from among the latest wave of mass immigration - most of whom being from nondeveloped Asian and African countries - a "guided cooperative" system has been elaborated in the past few years for the transitional period until new settlers acquire managerial and agricultural know-how.

Despite the large sums, raised mainly be Jews all over the world, the resources of capital have never been able to catch up with the legitimate requirements of agricultural settlement. On the other hand, most of the funds were under the superivision of national institutions and the State.

With the help of the large network of cooperative organizations, it has been possible to absorb large sums of agricultural credit, the overwhelming of which has been utilized in a rational way. This system overcame many of the numerous difficulties and flaws in supplying capital to agriculture.

This credit was absorbed almost without resorting to the usual security in farm credit: the farm mortgage. Nevertheless, regular repayments of big loans were insured through the cooperative network, and especially through comprehensive cooperative marketing, through centralized (regional) purchasing of the means of production and through mutual aid arrangements of the settlements as expressed in the independent financing institutions of the settlement organizations.

To other countries, the Israeli experiment is interesting mainly from the standpoint of developing undeveloped regions and for the fact that we have succeeded in establishing agriculture with the help of settlers lacking in agricultural background.

Some starts have been made towards finding solutions to additional problems of an international nature, and we hope that we shall be able to contribute to international know-how in the following fields as well:

- Establishing industry in the village and amalgamating it with the village autonomy economy;
- Developing the services in the village economy to a degree that safeguards the village against turning into a concentration of economically and socially backward elements.

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